

May 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>May 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$51,791,494	\$1,545,114,803
Percent Change	(48.5%)	(10.3%)
Corporate Income Tax		
Net Collections	\$12,902,767	\$283,960,737
Percent Change	(38.0%)	(40.1%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$251,814,390	\$2,722,539,552
Change	(0.1%)	(0.3%)
Total Big Three Tax Types		
Net Collections	\$316,508,651	\$4,551,615,092
Percent Change	(15.7%)	(7.6%)

TAX FACTS

May 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	May 2002	May 2001	% Change
Gross Collections	\$22,182,506	\$104,391,564	(78.8)
Withholding	195,678,588	210,119,840	(6.9)
Refunds	(130,913,219)	(179,858,801)	(27.6)
Urban Revenue Sharing	(35,156,381)	(33,037,720)	6.4
Net Collections	\$51,791,494	\$101,614,883	(48.5)
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$624,286,796	\$768,012,013	(18.7)
Withholding	2,134,952,670	2,165,878,519	(1.4)
Refunds	(827,404,472)	(846,660,699)	(2.4)
Urban Revenue Sharing	(386,720,191)	(363,414,920)	6.4
Net Collections	\$1,545,114,803	\$1,723,814,913	(10.3)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In May \$1,201,531 in alternative fuel vehicle credits were processed. After offsetting \$185,889 in tax liability, refunds for this credit totaled \$1,015,642. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	20,207	1,266,846	48,108	83,823	6	30,071	255,544	12,734	177,966	2,183	29	1,897,517
%	1.1	66.8	2.5	4.4	0.0	1.6	13.5	0.7	9.4	0.1	0.0	

The 1,897,517 returns filed through May 2002 compares to 1,834,626 returns filed during the same period of time in 2001 for an annual increase of 3.0%. This count represents multiple tax years. For tax year 2001 filed in 2002, 1,840,299 returns have been filed, this represents a 2.9% increase from 2000 returns filed in 2001 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,312,040 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 1.0% decrease in FAGI and a 5.6% decrease in tax liability. More specifically, 42.2% of these filers experienced a decrease in tax liability; on average a decrease of 41.5% with a

corresponding average decrease in FAGI of 23.4%. Filers showing an increase in tax liability totaled 622,621 or 47.5%, with an average FAGI increase of 25.6% and an average tax liability increase of 45.2%.

Average Individual Income Tax Refund

Beginning with calendar year 2001 taxpayers who chose to file their returns electronically were given the option to direct deposit their refund. The figures shown below includes direct deposits.

	Average	Number
2002 CYTD	\$550.75	1,342,351
2001 CYTD	\$605.81	1,239,489
% Change	(9.1%)	8.3%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 207,471 "new" returns have been filed thus far in 2002, representing approximately 250,866 persons, not including dependents. The average Federal Adjusted Gross Income for these 207,471 returns is \$19,239, with an average tax liability of \$299. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.1% had a married filing joint filing status, 8.2% claimed a 65 And Over Exemption and 34.7% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. A total additional \$63.8 million in estimated payments was received as refunds on the 1999 tax returns applied to 2000 estimates, for an average of \$1,744. Estimated payments received through May 2002 for tax year 2001 were as follows:

05/02	140ES payment	\$527,806	Cumulative	\$335,700,852
05/01	140ES payment	\$1,173,854	Cumulative	\$365,618,948
	Percent change	(55.0%)		(8.2%)
05/02	Average payment	\$1,434	Cumulative	\$1,476
05/01	Average payment	\$1,469	Cumulative	\$1,619
	Percent change	(2.4%)		(8.8%)
05/02	Applied refund	\$236,396	Cumulative	\$66,934,697
05/01	Applied refund	\$160,552	Cumulative	\$63,177,302
	Percent change	47.2%		5.9%
Total 05/02		\$764,202	Cumulative	\$402,635,549
Total 05/01		\$1,334,406	Cumulative	\$428,796,250
	Percent change	(42.7%)		(6.1%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2001, which shows a growth rate of 3.1% in withholding payments over the first quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2001	3.5%	1 st Quarter 2002	(2.8%)
3 rd Quarter 2001	4.7%	2 nd Quarter 2002	3.8%
4 th Quarter 2001	(0.2%)		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the eighth month of information available for the fourth quarter of 2001 was compared against the eighth month of collections for the fourth quarter of 2000. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	14,723	\$4,861,928	\$330.23
Calendar Year 2001	14,002	\$4,467,665	\$319.07
% Change	5.1%	8.8%	3.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 2001, filed in 2002 and later, these options are available.

	May 2002	Calendar Year Total
Check Off	619,417	\$2,832,582
Voluntary Donation	11,510	\$41,019
Number of Returns	83,894	391,524

Contributions on the Individual Income Tax Return

Through May 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,338	\$171,873	\$16.63
Child Abuse	11,871	\$201,633	\$17.00
Special Olympics	5,271	\$77,922	\$14.78
Neighbors Helping	3,228	\$38,346	\$11.88
AID to Education	485	\$35,980	\$74.19
Domestic Violence Shelter	8,282	\$141,866	\$17.13
Democratic Party	712	\$14,488	\$20.35
Republican Party	544	\$13,107	\$24.09
Libertarian Party	96	\$2,067	\$21.53
Reform Party	9	\$92	\$10.22
Green Party	160	\$2,497	\$15.61
Natural Law	11	\$180	\$16.36

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	May 2002	May 2001	% Change
Gross Collections	\$21,005,501	\$30,790,499	(31.8%)
Refunds	(\$8,102,734)	(\$9,974,441)	(18.8%)
Net Collections	\$12,902,767	\$20,816,058	(38.0%)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$444,642,779	\$603,330,632	(26.3%)
Refunds	(\$160,682,042)	(\$129,554,095)	24.0%
Net Collections	\$283,960,737	\$473,776,537	(40.1%)

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In May, \$11,500 in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$7.3 million.

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

May 2002	\$13,165,514	Calendar Year Total	\$105,861,895
May 2001	\$20,730,174	Calendar Year Total	\$133,610,103
% Change	(36.5%)	% Change	(20.8%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for May 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
May 2002	97	5	9	3	4	0	118	15.7
May 2001	78	5	11	2	6	0	102	
CY 2002	923	102	98	24	13	0	1,160	(11.7%)
CY 2001	1,029	118	123	27	16	0	1,313	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 9.7% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
Corporate Fiscal Year-End:	97 & Prior	96	99	00	01	02
FY 01/02	6.1%	3.0%	3.0%	70.5%	17.3%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

May 2002	\$4,183,774	Calendar Year Total	\$45,684,694
May 2001	\$6,228,836	Calendar Year Total	\$21,284,955
% Change	(32.8%)	% Change	114.6%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through April 2002, 49,289 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	95	22,589	33,750	170	8,246
%	0.2	34.8	52.0	0.3	12.7

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through May 2001, the Arizona Department of Revenue received 41,995 documents with a fiscal year-end of 2000. This represents a 54.4% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for May 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	May 2002	May 2001	% change
Distribution Base	\$106,504,346	\$107,608,256	(1.0)
Non shared	198,654,400	200,235,100	(0.8)
Use Tax	16,426,641	15,611,637	5.2
Education Tax	36,950,451	0	N/A
Other Revenues	43,812,783	43,181,647	1.5
Total Collections	\$402,348,621	\$366,636,639	9.7

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Distribution Base	\$1,142,400,055	\$1,141,513,675	0.1
Non shared	2,180,589,920	2,154,370,108	1.2
Use Tax	147,935,292	183,800,672	(19.5)
Education Tax	402,181,301	0	N/A
Other Revenues	472,579,678	439,637,777	7.5
Total Collections	\$4,345,686,246	\$3,919,322,232	10.9

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	May 2002	May 2001	% change
Retained by State	\$251,814,390	\$252,953,545	(0.1)
Returned to Counties	43,144,911	43,596,606	(1.0)
Returned to Cities	26,626,086	26,904,841	(1.0)
Education Tax	36,950,451	0	N/A
Other	43,812,783	43,181,647	1.5
Total Collections	\$402,348,621	\$366,636,639	9.7

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Retained by State	\$2,722,539,552	\$2,730,480,215	(0.3)
Returned to Counties	462,785,915	463,292,159	(0.1)
Returned to Cities	285,599,800	285,912,080	(0.1)
Education Tax	402,181,301	0	N/A
Other	472,579,678	439,637,778	7.5
Total Collections	\$4,345,686,246	\$3,919,322,232	10.9

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	May 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$246,783	(25.2)	\$2,435,059	(39.5)
Non-Metal Mining/Oil & Gas	3.125%	574,571	17.2	5,884,803	(7.3)
Utilities	5.6%	19,321,793	3.1	273,743,062	2.4
Communications	5.6%	11,904,509	(2.9)	134,475,394	1.6
Railroads/Aircraft	5.6%	141,530	14.9	1,789,866	(27.9)
Private Car/Pipelines	5.6%	19,957	(76.1)	258,127	(65.6)
Publishing	5.6%	499,443	(16.3)	3,663,740	(35.8)
Printing	5.6%	1,709,522	(3.5)	16,186,902	(12.5)
Restaurants/Bars	5.6%	29,373,786	(0.7)	293,541,126	2.2
Amusements	5.6%	3,377,002	(6.7)	33,898,812	(2.5)
Commercial Lease	0%	7,708	(69.0)	501,918	(86.9)
Rental of Personal Property	5.6%	15,927,071	(7.0)	165,068,270	(1.5)
Contracting	3.75% - 5.6%	48,623,805	0.3	540,531,643	5.7
Feed Wholesale	Repealed	30	(89.3)	(7,916)	N/A
Retail	5.6%	163,264,578	(0.4)	1,761,997,290	0.7
Mining Severance	2.5%	83,884	297.5	(25,269)	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	13,785	N/A
Hotel/Motel	5.5%	9,585,004	(3.5)	83,713,365	(11.6)
Membership Camping	5.6%	9,063	(15.9)	126,337	9.3
Use/Use Inventory	5.6%	16,426,641	5.2	147,935,292	(19.5)
Rental Occupancy Tax	3.0%	17,107	1.5	159,422	19.5
Jet Fuel Tax	\$.0305/\$.0105 gal	446,702	(27.9)	4,810,565	(10.0)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	510,088	(10.7)	5,889,562	18.9
Poison Control Fund	----	188,663	(10.7)	2,178,331	18.9
911 Wireline/Excise *	\$0.37 monthly per activated service	1,276,211	31.0	13,775,862	66.9
911 Wireless Service *	\$0.37 monthly per activated service	688,671	251.0	6,238,178	222.0
Agriculture Equipment	0%	0	N/A	21,064	73.7
Total		\$324,224,121	(0.4)	3,498,358,178	0.0

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	May 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,935,666	(25.2)	\$48,701,176	(39.5)
Non-Metal Mining/Oil & Gas	18,386,281	17.2	188,313,694	(7.3)
Utilities	386,435,867	3.1	5,474,861,230	2.4
Communications	238,090,179	(2.9)	2,689,507,877	1.6
Railroads/Aircraft	2,830,593	14.9	35,797,311	(27.9)
Private Car/Pipelines	399,130	(76.1)	5,162,531	(65.6)
Publishing	9,988,852	(16.3)	73,274,798	(35.8)
Printing	34,190,437	(3.5)	323,738,046	(12.5)
Restaurants/Bars	587,475,712	(0.7)	5,870,822,526	2.2
Amusements	67,540,030	(6.7)	677,976,247	(2.5)
Commercial Lease	665,708	N/A	29,722,291	(83.5)
Rental of Personal Property	318,541,425	(7.0)	3,301,365,402	(1.5)
Contracting	972,476,102	0.3	10,810,632,891	5.7
Feed Wholesale	6,478	N/A	(1,687,915)	N/A
Retail	3,265,291,569	(0.4)	35,239,945,795	0.7
Mining Severance	3,355,371	297.5	(1,010,776)	N/A
Timber Severance	0	N/A	767,703	N/A
Hotel/Motel	174,272,797	(3.5)	1,522,061,188	(11.6)
Membership Camping	181,263	(15.9)	2,526,747	9.3
Use/Use Inventory	328,888,129	5.5	2,944,756,223	(19.6)
Rental Occupancy Tax	570,221	1.5	5,314,050	19.5
Agriculture Equipment	0	N/A	2,106,425	73.7
Total	\$6,414,521,810	(0.5)	\$69,244,655,460	(0.5)

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In May 2002, 14,063,477 gallons of jet fuel were taxed, a 32.9% decrease from the 20,944,178 reported for May 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in May 2002 was \$1,733,300 an 11.5% increase from the \$1,554,672 claimed in May 2001. Accounting credits claimed-to-date in FY 01/02 equals \$16,533,588 a 9.6% increase from the \$15,083,938 claimed during the same period in FY 00/01.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>May 2002</u>	<u>May 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$241,061,225	\$218,224,104	10.5
5311-5399	general merchandise stores	257,400,002	298,548,930	(13.8)
5411-5499	food stores (no food sales)	255,854,758	259,915,873	(1.6)
5511-5521	motor vehicle dealers	613,136,892	590,760,952	3.8
5531-5599	misc. automotive, motorcycle & boat stores	165,882,678	169,302,890	(2.0)
5611-5699	apparel & accessory stores	203,475,428	225,405,884	(9.7)
5712-5733	furniture, home furnishings & equipment stores	156,784,154	163,409,741	(4.1)
5912-5949	misc. retail stores	206,010,386	221,210,620	(6.9)
TOTAL		\$3,265,291,569	\$3,279,665,113	(0.4)

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$2,125,437,280	\$1,895,356,713	12.1
5311-5399	general merchandise stores	3,121,434,271	3,559,483,617	(12.3)
5411-5499	food stores (no food sales)	2,749,786,461	2,763,846,097	(0.5)
5511-5521	motor vehicle dealers	6,835,289,181	6,285,861,493	8.7
5531-5599	misc. automotive, motorcycle & boat stores	1,750,801,300	1,717,879,104	1.9
5611-5699	apparel & accessory stores	2,229,426,767	2,190,970,671	1.8
5712-5733	furniture, home furnishings & equipment stores	1,792,155,112	1,888,746,434	(5.1)
5912-5949	misc. retail stores	2,430,114,221	2,447,234,364	(0.7)
TOTAL		\$35,239,945,795	\$34,980,318,895	0.7

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for May 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$181,536	\$315,723	0.7	\$3,493,403	(15.3)
Cochise	1,656,853	797,996	1.8	8,339,032	(5.5)
Coconino	2,719,723	1,163,614	2.7	12,492,283	(2.2)
Gila	630,720	330,064	0.8	3,739,961	(8.2)
Graham	344,884	202,368	0.5	2,167,062	(4.1)
Greenlee	206,640	153,533	0.4	1,673,074	(39.2)
La Paz	245,960	127,487	0.3	1,401,777	2.6
Maricopa	72,247,018	27,792,960	64.4	298,523,142	1.3
Mohave	2,725,552	1,156,501	2.7	12,136,562	2.2
Navajo	1,370,469	660,341	1.5	7,338,034	1.4
Pima	16,260,613	6,571,810	15.2	70,337,653	(3.6)
Pinal	1,847,547	1,085,408	2.5	11,379,347	(0.3)
Santa Cruz	652,246	281,931	0.7	3,002,511	(2.1)
Yavapai	3,203,896	1,428,681	3.3	15,113,765	(0.2)
Yuma	2,210,688	1,076,493	2.5	11,648,309	7.6
Total	\$106,504,346	\$43,144,911		\$462,785,915	(0.1%)

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for May 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during May 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$58,338							
Cochise		\$475,669							
Coconino		\$762,525	\$457,224						
Gila	\$189,710	\$183,858					\$18		
Graham		\$100,201							
Greenlee		\$50,426							
La Paz		\$72,436	\$72,436						
Maricopa	\$22,340,127		\$8,223,404	\$507,775	\$12,009				\$1,896,758
Mohave		\$395,908							
Navajo		\$385,674							
Pima				135,218		\$12,836			
Pinal	\$599,314	\$583,111							
Santa Cruz		\$181,729							
Yavapai		\$970,145	\$386,369						
Yuma		\$651,298	\$651,160					\$647,879	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in May 2002. The table compares the receipts to May 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<u>May 2002</u>	<u>May 2001</u>	<u>% Change</u>
Spirituos	\$1,968,052	\$1,738,023	13.2
Vinous	725,693	601,116	20.7
Malt	1,979,009	1,849,907	7.0
Cigarette	12,811,897	11,716,005	9.4
Other Tobacco	315,290	373,521	(15.6)
Tobacco Licenses	300	2,025	(85.2)
Total	\$17,800,241	\$16,280,596	9.3

	<u>Fiscal Year Total (01/02)</u>	<u>Fiscal Year Total (00/01)</u>	<u>% Change</u>
Spirituos	\$19,844,774	\$19,586,281	1.3
Vinous	8,330,912	7,842,191	6.2
Malt	20,086,778	19,746,116	1.7
Cigarette*	140,970,403	140,063,693	0.6
Other Tobacco	3,247,081	3,155,749	2.9
Tobacco Licenses	3,075	7,325	(58.0)
Total	192,483,023	\$190,401,355	1.1

*Through May 2002, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	<u>May 2002</u>	<u>FY (01/02)</u>
Spirituos	\$1,377,637	\$13,891,342
Vinous	180,754	2,077,360
Malt	494,752	5,021,693
Cigarette	3,570,034	38,881,826
Other Tobacco	48,870	503,298
Tobacco Licenses	300	3,075
Total	\$5,672,347	\$60,378,595

Other dedicated revenues from luxury taxes:

	<u>May 2002</u>	<u>FY (01/02)</u>
Correction Fund revenues	\$2,239,748	\$23,530,589
Health Care Fund revenues	9,013,159	99,468,839
Wine Promotional Fund revenues	2,675	21,467
Drug Treatment & Education Fund revenues	624,129	6,500,454
Corrections Revolving Fund revenues	248,183	2,583,079

Estate Tax

	May 2002	\$3,120,659	Fiscal year To Date	\$75,730,549
	May 2001	\$8,617,010	Fiscal year To Date	\$70,526,370
% Change		(63.8%)	% Change	7.4%

Private Car

	May 2002	\$0	Fiscal year To Date	\$1,509,625
	May 2001	\$0	Fiscal year To Date	\$1,349,685
% Change		N/A	% Change	11.9%

Bingo

	May 2002	\$42,095	Fiscal year To Date	\$595,039
	May 2001	\$36,174	Fiscal year To Date	\$602,143
% Change		16.4%	% Change	(1.2%)

Unclaimed Property

	May 2002	\$839,354	Fiscal year To Date	\$33,764,190
	May 2001	\$558,009	Fiscal year To Date	\$18,991,478
% Change		50.4%	% Change	77.8%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through May 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,234	0.6%	-\$14,706	\$5	18.7%	74.1%	5.0%	2.2%	16.6%	9.9%
\$0-\$5,000	44,133	21.3%	\$2,774	\$1	4.2%	83.5%	11.5%	0.8%	3.9%	16.5%
\$5,000-\$10,000	44,656	21.5%	\$7,395	\$23	8.3%	69.6%	20.9%	1.2%	6.9%	28.9%
\$10,000-\$15,000	32,001	15.4%	\$12,355	\$86	15.3%	53.8%	29.1%	1.8%	9.8%	40.5%
\$15,000-\$20,000	23,409	11.3%	\$17,350	\$162	21.7%	45.5%	30.2%	2.5%	10.0%	44.8%
\$20,000-\$25,000	15,670	7.6%	\$22,337	\$267	26.8%	40.4%	29.7%	3.2%	8.1%	48.2%
\$25,000-\$30,000	10,663	5.1%	\$27,336	\$398	29.7%	41.1%	25.0%	4.1%	7.9%	45.5%
\$30,000-\$40,000	13,056	6.3%	\$34,531	\$570	37.3%	38.5%	20.4%	3.8%	8.8%	44.2%
\$40,000-\$50,000	7,564	3.6%	\$44,608	\$805	47.4%	33.8%	15.7%	3.1%	11.5%	43.7%
\$50,000-\$75,000	9,115	4.4%	\$60,223	\$1,180	62.2%	25.8%	9.8%	2.2%	13.7%	45.4%
\$75,000-\$100,000	3,155	1.5%	\$85,373	\$1,873	72.2%	20.0%	6.2%	1.6%	15.5%	44.7%
\$100,000-\$200,000	2,367	1.1%	\$130,067	\$3,384	73.9%	19.6%	5.2%	1.3%	18.1%	40.1%
\$200,000-\$500,000	383	0.2%	\$280,486	\$9,720	72.1%	21.1%	5.0%	1.8%	20.4%	35.0%
\$500,000-\$1,000,000	41	0.0%	\$654,799	\$27,297	61.9%	31.0%	7.1%	0.0%	28.6%	26.2%
\$1,000,000 and over	24	0.0%	\$2,725,331	\$119,707	60.7%	21.4%	10.7%	7.1%	25.0%	17.9%
Total	207,471		\$19,239	\$299	20.1%	57.1%	20.9%	2.0%	8.2%	34.7%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
May 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,753,324	202,705
Eagar	\$34,884	4,033	Surprise	266,824	30,848
Springerville	17,057	1,972	Tempe	1,372,048	158,625
St. Johns	28,276	3,269	Tolleson	43,023	4,974
<u>Cochise County</u>			Wickenburg	43,957	5,082
Benson	40,748	4,711	Youngtown	26,035	3,010
Bisbee	52,676	6,090	<u>Mohave County</u>		
Douglas	123,794	14,312	Bullhead City	292,090	33,769
Huachuca City	15,146	1,751	Colorado City	28,838	3,334
Sierra Vista	326,740	37,775	Kingman	173,590	20,069
Tombstone	13,009	1,504	Lake Havasu City	362,748	41,938
Willcox	32,289	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	42,530	4,917
Flagstaff	457,514	52,894	Pinetop-Lakeside	30,893	3,582
Fredonia	8,961	1,036	Show Low	66,559	7,695
Page	58,895	6,809	Snowflake	38,577	4,460
Williams	24,582	2,842	Taylor	27,471	3,176
<u>Gila County</u>			Winslow	82,345	9,520
Globe	64,751	7,486	<u>Pima County</u>		
Hayden	7,715	892	Marana	117,254	13,556
Miami	16,746	1,936	Oro Valley	256,894	29,700
Payson	117,808	13,620	Sahuarita	28,042	3,242
Winkelman	3,832	443	South Tucson	47,487	5,490
<u>Graham County</u>			Tucson	4,209,769	486,699
Pima	17,204	1,989	<u>Pinal County</u>		
Safford	79,853	9,232	Apache Junction	275,179	31,814
Thatcher	34,789	4,022	Casa Grande	218,178	25,224
<u>Greenlee County</u>			Coolidge	67,346	7,786
Clifton	22,454	2,596	Eloy	89,740	10,375
Duncan	7,024	812	Florence	124,953	14,446
<u>La Paz County</u>			Kearny	19,453	2,249
Parker	27,160	3,140	Mammoth	15,241	1,762
Quartzsite	29,011	3,354	Superior	28,146	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	310,375	35,883	Nogales	180,587	20,878
Buckeye	243,937	8,497	Patagonia	7,620	881
Carefree	25,317	2,927	<u>Yavapai County</u>		
Cave Creek	32,246	3,728	Camp Verde	81,748	9,451
Chandler	1,527,361	176,581	Chino Valley	67,770	7,835
El Mirage	65,815	7,609	Clarkdale	29,599	3,422
Fountain Hills	175,025	20,235	Cottonwood	79,395	9,179
Gila Bend	17,126	1,980	Jerome	2,846	329
Gilbert	948,839	109,697	Prescott	293,551	33,938
Glendale	1,892,644	218,812	Prescott Valley	203,569	23,535
Goodyear	163,573	18,911	Sedona	88,157	10,192
Guadalupe	45,220	5,228	<u>Yuma County</u>		
Litchfield Park	32,955	3,810	San Luis	132,530	15,322
Mesa	3,428,499	396,375	Somerton	62,848	7,266
Paradise Valley	118,189	13,664	Wellton	15,820	1,829
Peoria	937,309	108,364	Yuma	670,476	77,515
Phoenix	11,426,557	1,321,045			
Queen Creek	37,332	4,316	TOTAL	\$35,156,381	4,044,788

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
May 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,334,369	202,705
Eagar	\$26,548	4,033	Surprise	203,067	30,848
Springerville	12,981	1,972	Tempe	1,044,199	158,625
St. Johns	21,519	3,269	Tolleson	32,743	4,974
<u>Cochise County</u>			Wickenburg	33,454	5,082
Benson	31,012	4,711	Youngtown	19,814	3,010
Bisbee	40,089	6,090	<u>Mohave County</u>		
Douglas	94,213	14,312	Bullhead City	222,295	33,769
Huachuca City	11,527	1,751	Colorado City	21,947	3,334
Sierra Vista	248,666	37,775	Kingman	132,110	20,069
Tombstone	9,901	1,504	Lake Havasu City	276,070	41,938
Willcox	24,574	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	32,368	4,917
Flagstaff	348,191	52,894	Pinetop/Lakeside	23,580	3,582
Fredonia	6,820	1,036	Show Low	50,655	7,695
Page	44,822	6,809	Snowflake	29,359	4,460
Williams	18,708	2,842	Taylor	20,907	3,176
<u>Gila County</u>			Winslow	62,668	9,520
Globe	49,279	7,486	<u>Pima County</u>		
Hayden	5,872	892	Marana	89,237	13,556
Miami	12,744	1,936	Oro Valley	195,510	29,700
Payson	89,658	13,620	Sahuarita	21,341	3,242
Winkelman	2,916	443	South Tucson	36,140	5,490
<u>Graham County</u>			Tucson	3,203,849	486,699
Pima	13,093	1,989	<u>Pinal County</u>		
Safford	60,773	9,232	Apache Junction	209,426	31,814
Thatcher	26,476	4,022	Casa Grande	166,045	25,224
<u>Greenlee County</u>			Coolidge	51,254	7,786
Clifton	17,089	2,596	Eloy	68,297	10,375
Duncan	5,345	812	Florence	95,095	14,446
<u>La Paz County</u>			Kearny	14,805	2,249
Parker	20,670	3,140	Mammoth	11,599	1,762
Quartzsite	22,079	3,354	Superior	21,420	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	236,211	35,883	Nogales	137,436	20,878
Buckeye	55,934	8,497	Patagonia	5,799	881
Carefree	19,268	2,927	<u>Yavapai County</u>		
Cave Creek	24,541	3,728	Camp Verde	62,214	9,451
Chandler	1,162,400	176,581	Chino Valley	51,576	7,835
El Mirage	50,089	7,609	Clarkdale	22,526	3,422
Fountain Hills	133,203	20,235	Cottonwood	60,424	9,179
Gila Bend	13,034	1,980	Jerome	2,166	329
Gilbert	722,115	109,697	Prescott	223,408	33,938
Glendale	1,440,399	218,812	Prescott Valley	154,927	23,535
Goodyear	124,488	18,911	Sedona	67,092	10,192
Guadalupe	34,415	5,228	<u>Yuma County</u>		
Litchfield Park	25,081	3,810	San Luis	100,862	15,322
Mesa	2,609,263	396,375	Somerton	47,831	7,266
Paradise Valley	89,948	13,664	Wellton	12,040	1,829
Peoria	713,340	108,364	Yuma	510,267	77,515
Phoenix	8,696,193	1,321,045	TOTAL	\$26,626,086	4,044,788
Queen Creek	28,411	4,316			

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